



Seale & Associates

CONSTRUCTION INDUSTRY
Q4 2023
VALUATION UPDATE

Introduction

We are pleased to share our Construction Industry Multiples Valuation Update for Q4 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our construction industry clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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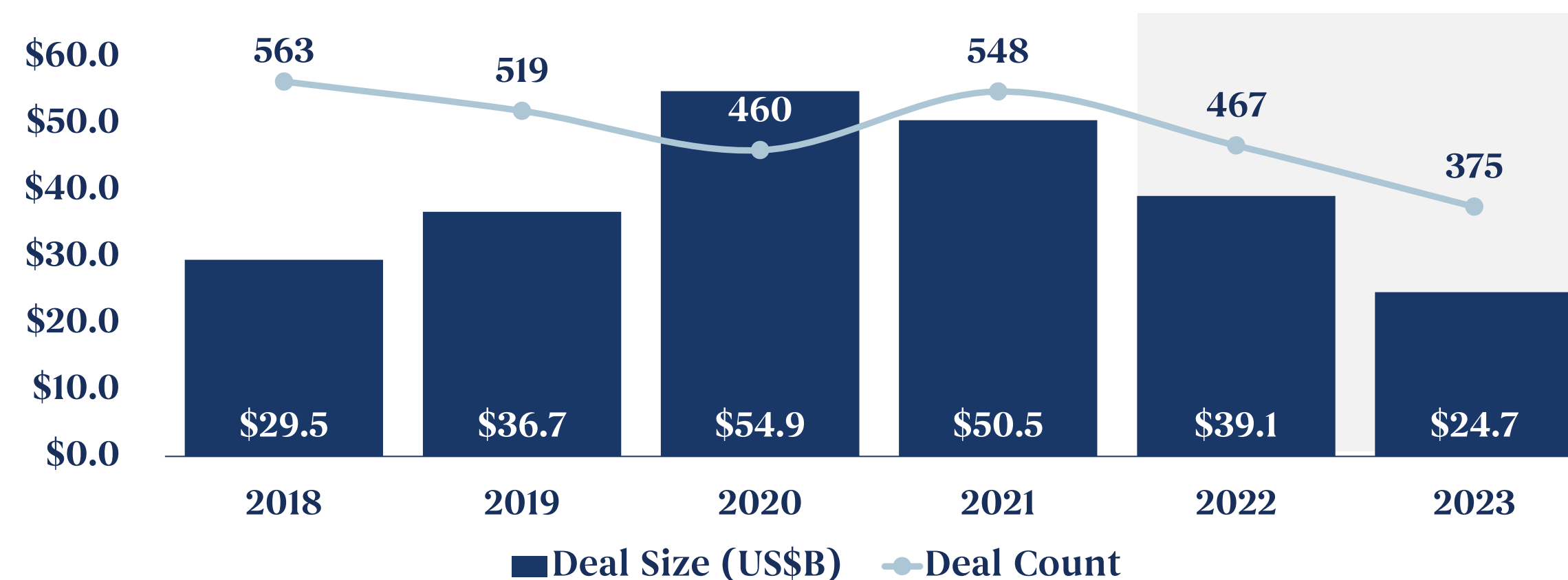
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Construction Industry Overview, M&A Trends and Market Intelligence

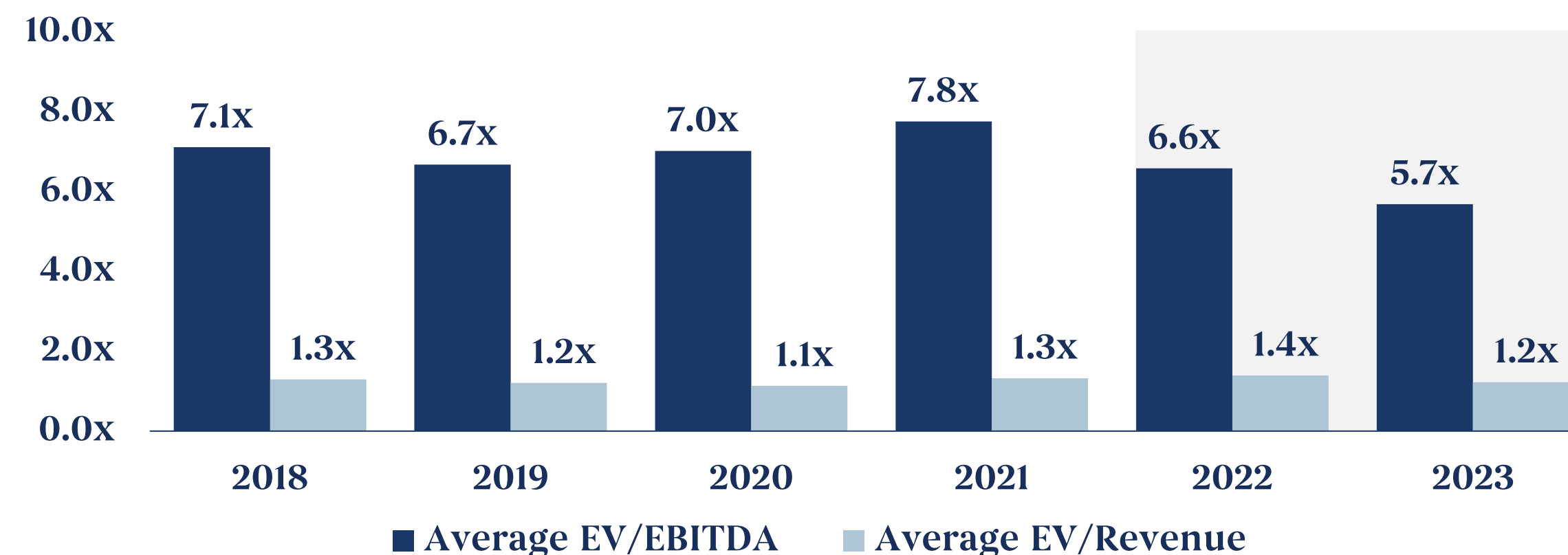
Construction Industry Overview

- The global construction **market** hit **US\$11.7 trillion** in 2023 and is projected to reach approximately **US\$17.2 trillion** by 2030, with an expected annual growth rate of **5.4%**
- The global construction **market grew by 1.8% in Q4 2023** at an annual rate. This growth was driven by increased public investment in infrastructure works, as well as by the recovery in demand for residential and non-residential construction.
- In terms of **employment**, the global construction industry generated **180 million** jobs in **Q4 of 2023**, an increase of **1.2%** over the same quarter of the previous year.
- In North America, construction plays a crucial role as a major customer for manufacturing, mining, and various service sectors. North America recorded growth of **1.3%** at an annual rate, driven by increased public investment in the United States and Canada
- Despite these challenges, the construction industry has a promising future, as global economic growth is expected to drive demand for infrastructure and construction.

Construction Industry M&A Deal Size and Volume













Construction Industry M&A Average EV/EBITDA and EV/Revenue












Construction Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/			
						2021	2022	EBITDA	Revenue		
ACS, Actividades de Construcción y Servicios, S.A.		ESP	\$11,687	\$12,891	\$39,222	4.7%	9.1x	4.4x	7.0x	0.3x	
AECOM		USA	\$12,569	\$14,355	\$14,378	6.2%	10.8x	11.3x	16.2x	1.0x	
Bouygues SA		FRA	\$14,274	\$30,607	\$61,426	9.1%	4.7x	4.2x	5.5x	0.5x	
Eiffage SA		FRA	\$10,344	\$24,813	\$24,026	16.5%	8.0x	6.5x	6.3x	1.0x	
Kajima Corporation		JPN	\$8,039	\$10,011	\$18,150	6.1%	4.9x	5.6x	9.0x	0.6x	
Obayashi Corporation		JPN	\$6,202	\$7,077	\$15,179	5.0%	5.3x	10.1x	9.2x	0.5x	
Quanta Services, Inc.		USA	\$31,352	\$35,303	\$19,515	14.5%	8.5x	10.2x	12.5x	1.8x	
Skanska AB (publ)		SWE	\$7,440	\$8,198	\$16,246	5.4%	5.8x	7.3x	9.4x	0.5x	
Taisei Corporation		JPN	\$6,379	\$5,451	\$11,786	3.5%	3.8x	5.3x	13.1x	0.5x	
Vinci SA		FRA	\$71,742	\$101,741	\$73,546	16.2%	12.0x	9.5x	8.6x	1.4x	
							Mean	5.9x	5.6x	7.9x	0.8x
							Median	6.9x	6.9x	9.1x	0.5x


Construction Materials Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023	
						2021	2022	EV/EBITDA	EV/Revenue
Ambuja Cements Limited	 IND	\$12,423	\$11,843	\$3,871	16.2%	11.5x	16.0x	18.8x	3.1x
CEMEX, S.A.B. de C.V.	 MEX	\$11,329	\$18,840	\$17,041	18.5%	7.9x	5.8x	6.0x	1.1x
CRH plc	 IRL	\$47,725	\$55,319	\$33,861	17.6%	10.5x	7.0x	9.3x	1.6x
Grasim Industries Limited	 IND	\$16,831	\$34,976	\$14,819	18.9%	9.6x	9.7x	12.5x	2.4x
GCC, S.A.B. de C.V.	 MEX	\$3,920	\$3,579	\$1,313	33.7%	7.9x	5.9x	8.1x	2.7x
Heidelberg Materials AG	 DEU	\$16,596	\$25,316	\$23,598	17.9%	6.1x	4.6x	6.0x	1.1x
Holcim Ltd	 CHE	\$45,405	\$59,742	\$32,747	20.8%	7.5x	6.6x	8.8x	1.8x
James Hardie Industries plc	 IRL	\$16,777	\$17,712	\$3,732	27.6%	20.4x	12.9x	17.2x	4.7x
Martin Marietta Materials, Inc.	 USA	\$30,836	\$34,917	\$6,215	34.9%	17.0x	16.4x	16.1x	5.6x
Vulcan Materials Company	 USA	\$30,164	\$34,328	\$7,680	26.6%	18.7x	17.3x	16.8x	4.5x
					Mean	8.7x	6.6x	12.0x	2.0x
					Median	10.1x	8.3x	10.9x	2.5x

Construction Machinery Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/			
						2021	2022	EBITDA	Revenue		
Caterpillar Inc.	 CATERPILLAR®	USA	\$150,521	\$179,254	\$67,060	23.9%	17.3x	13.0x	11.2x	2.7x	
CNH Industrial N.V.	 CNH INDUSTRIAL	GBR	\$15,691	\$38,633	\$24,838	14.8%	17.1x	10.0x	10.5x	1.6x	
Deere & Company	 JOHN DEERE	USA	\$112,066	\$171,111	\$61,222	27.5%	19.8x	17.5x	10.2x	2.8x	
Doosan Corporation	 DOOSAN	KOR	\$1,147	\$11,865	\$14,447	9.3%	13.3x	9.4x	8.8x	0.8x	
Hitachi Construction Machinery Co., Ltd.	 HITACHI	JPN	\$5,620	\$9,302	\$9,905	16.2%	11.4x	6.4x	5.8x	0.9x	
Komatsu Ltd.	 KOMATSU	JPN	\$24,735	\$32,211	\$26,937	20.2%	10.9x	7.8x	5.9x	1.2x	
Sany Heavy Industry Co.,Ltd	 SANY	CHN	\$16,408	\$16,854	\$10,975	11.2%	12.8x	19.5x	13.7x	1.5x	
Terex Corporation	 TEREX®	USA	\$3,867	\$4,315	\$5,152	14.1%	16.1x	7.2x	5.9x	0.8x	
XCMG Construction Machinery Co., Ltd.	 XCMG	CHN	\$9,008	\$12,455	\$12,746	10.2%	8.3x	10.5x	9.5x	1.0x	
							Mean	11.4x	9.2x	8.5x	1.5x
							Median	13.3x	10.0x	9.5x	1.2x

Construction Industry – Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23		AUT	Provides civil engineering and building construction, transport infrastructure, and construction materials		Rasperia Trading Limited	27.8%	\$1,657.7	3.8x	0.2x
Dec-23		POL	Specializes in the construction of buildings, railway facilities, electrical power works, road maintenance and real estate development			100.0%	\$98.8	-	-
Dec-23		GBR	Supplies and manufactures concrete, concrete blocks, floor screed, RTU mortar, silo mortar, and aggregates		-	100.0%	-	-	-
Dec-23		AUS	Provides cement, lime, concrete, aggregates, concrete products and industrial minerals		-	57.0%	\$1,412.4	-	1.6x
Dec-23		JPN	Manufactures mobile elevator and construction machinery		JAFSCO	100.0%	-	-	-
Dec-23		USA	Offers cement construction products		-	100.0%	-	-	-
Nov-23	Cement Business of Kesoram Industries Limited	IND	Cement Business of Kesoram Industries Limited comprises cement manufacturing business			100.0%	\$644.9	-	-
Nov-23		JPN	Specializes in the design and construction of buildings and civil works		-	100.0%	-	-	-
Nov-23		FRA	Specializes in the construction of drinking water and sewerage, telecommunications, gas, and electricity networks and related facilities			100.0%	\$284.2	-	0.2x
Nov-23	European Lime Business	DEU	European Lime Business of CRH Plc			100.0%	\$1,086.7	-	-
Nov-23	Martin Marietta South Texas cement business	USA	Martin Marietta South Texas Cement business comprises a cement plant and ready-mix concrete operations			100.0%	\$2,100.0	-	-

Construction Industry – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Nov-23	 MWH CONSTRUCTORS	USA	Engages in the construction of water treatment facilities in the United States	 ODAYASHI	 OAKTREE	90.0%	\$126.0	-	0.3x	
Nov-23	Three Hot-Mix Asphalt Plants	USA	Three Hot-Mix Asphalt Plants in North and South Carolina	 CONSTRUCTION PARTNERS INC. A LEADING INFRASTRUCTURE COMPANY	 REEVES A COLAS COMPANY	100.0%	-	-	-	
Oct-23	 ÉLITE CEMENTOS	ESP	Produces cement and concrete for construction purposes	 HOLCIM	 Simetria	100.0%	-	-	-	
Oct-23	 IDI CONSTRUCTION	KOR	Provides construction services	 IDI E&C	-	34.1%	\$69.1	-	-	
								Mean	3.8x	0.6x
								Median	3.8x	0.3x

Selected Transactions Commentary



"Adbri is an attractive business with quality assets that complement our core competencies in cement, concrete and aggregates. With its leading market positions in Australia, we are delighted that this opportunity has presented itself to us. It is the next logical step for CRH to expand our existing presence in Australia, where we have been operating for 15 years."

Albert Manifold, Chief Executive of CRH



"We are very satisfied with this transaction, which is part of the regular strategic review of our asset portfolio. It is being carried out on very good terms, which will strengthen Veolia's capacity to invest in its strategic activities."

Estelle Brachlianoff, CEO of Veolia's



"Consistent with our SOAR (Strategic Operating Analysis and Review) 2025 objectives, we continually examine ways to optimize our portfolio and product mix through asset purchases, exchanges and/or divestitures. After thorough evaluation, we believe that monetizing these operations is in the Company's best interests to maximize near-, medium- and long-term stakeholder value."










Ward Nye, Chairman, President and CEO of Martin Marietta



"The decision to divest at an attractive valuation follows a comprehensive review of the business and demonstrates CRH's active approach to portfolio management."

Albert Manifold, Chief Executive of CRH

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Construction of Buildings <i>NAICS 236 - Construction of Buildings</i>	 2018-2023	 \$62.2M	 \$40.9M	 19.3%	 1.4x	 22.1%	 6.3x	 17
Heavy and Civil Engineering Construction <i>NAICS 237 - Heavy and Civil Engineering Construction</i>	2018-2023	\$44.3M	\$42.1M	21.5%	1.2x	21%	5.6x	29

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

CEMEX

TARGET

Concrete Pumping Business

TRANSACTION TYPE

Divestiture advisory

INDUSTRIES

Construction and Building Products

GEOGRAPHY

Monterrey, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to CEMEX (BMV: CEMEX CPO) in the divestiture of its Concrete Pumping Business to Pumping Team. The transaction value was US\$109 million, including US\$80 million at closing and an additional US\$29 million in purchase price contingent on future performance targets.

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and favorable terms.

OUTCOME

The process resulted in the successful acquisition of CEMEX's Concrete Pumping Business by Pumping Team, which will become the supplier of ready-mix concrete pumping to CEMEX and its customers in Mexico.

“We look forward to maintaining a long-term win-win relationship”



has sold

its Concrete Pumping Business

to



“We are pleased to have been able to represent CEMEX in this strategic divestiture of its concrete pumping business in Mexico.

We wish the new owners of the Pumping Team and Nexus Capital business every success.

We look forward to maintaining a long-term win-win relationship in their business relationship with CEMEX.”

Sergio Garcia del Bosque
Managing Director, Seale & Associates

FANOSA

TARGET

Fanosa, S.A. de C.V.
("FANOSA")

TRANSACTION TYPE

Divestiture advisory

INDUSTRIES

Construction and
Building Products

GEOGRAPHY

Hermosillo, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to the Shareholders of Fanosa, S.A. de C.V. ("FANOSA"), a leading provider of solutions for the construction market on the sale of its business to Grupo Lamosa S.A.B. de C.V. (BMV: LAMOSA).

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive process. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and favorable terms.

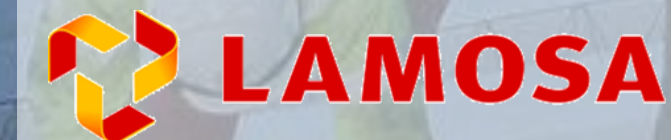
OUTCOME

The process resulted in the successful acquisition of FANOSA by Grupo Lamosa strengthening the growth and diversification strategy that can create a more integral product offering focused on providing sustainable solutions for the construction market.

"We wish them continued success and growth"



has been acquired by



"FANOSA has built a great platform for the production and distribution of expanded polystyrene products with tremendous success in Mexico and the U.S.

We congratulate our client and the employees of FANOSA and we wish them continued success and growth after the acquisition by LAMOSA."

Sergio Garcia del Bosque
Managing Director, Seale & Associates

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Global M&A Representative Engagements

<p>BEIJER REF</p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p>ZN ZINC NACIONAL</p> <p>has sold</p> <p>GSDKO</p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p>Hertz</p> <p>has acquired</p>  <p>DONLEN</p>
<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop</p> <p>a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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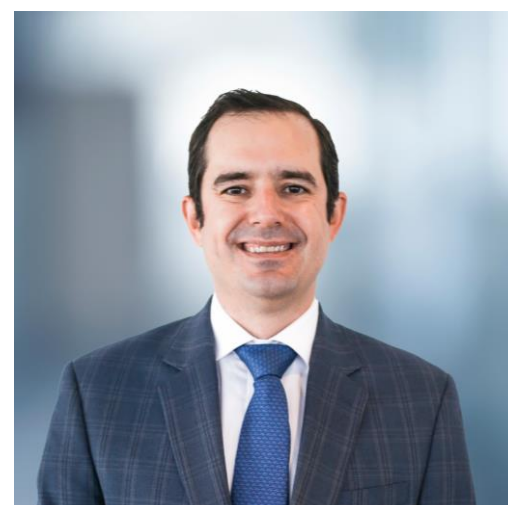


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University of Florida - BA in Political Science with High Honors

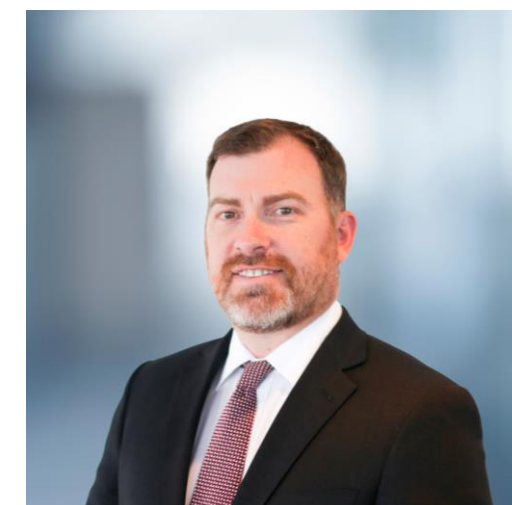


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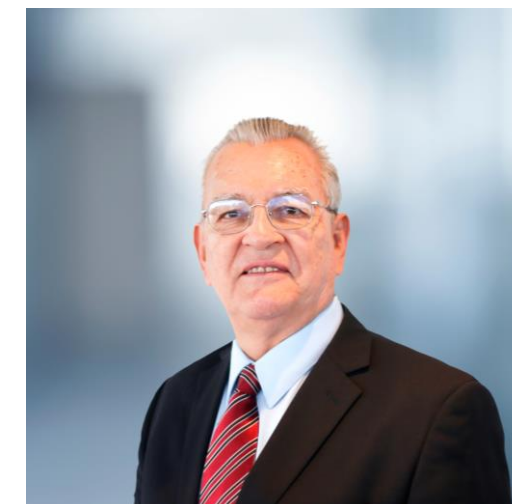


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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

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Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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\$50B+

TRANSACTIONS GLOBALLY

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Recapitalizations

Due Diligence / Support

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...as well as with reputable funds, family-offices and privately held companies.



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